

General Provisions

Condition of Equipment Customer acknowledges that he has examined, or had the opportunity to examine the Equipment and has received the Equipment in good, physical and mechanical condition and the Equipment is of the size, design, capacity and manufacture selected by the Customer. Customer knows that the equipment to be used is in a USED CONDITION. As a result of the prior use, Customer understands that the used equipment is *not* in the same condition as it was when it was new and may *not* operate at the same specifications as if it were new.

Delivery and Pick-up of Equipment In no event shall Hometown Equipment Rental, Inc. ("HER") be liable for any damages arising out of delivery delays, including, but not limited to work stoppages, delivery or operational deficiencies or failures, breakdowns, strikes, Acts of God, unavailability of replacement equipment, or any other nature or from any other causes, whether such delays are avoidable or not. Customer must call to release the Equipment to HER and is responsible for the released Equipment until it is pick-up.

Disclaimer of Warranty THE ONLY EXPRESS WARRANTY IS THAT OF THE MANUFACTURER, IF ANY, AND NO ORAL REPRESENTATIONS OR WARRANTIES OF ANY NATURE SHALL BE BINDING ON HER. HER MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR USE OR PURPOSE, EITHER EXPRESSED OR IMPLIED, STATUTORY OR OTHERWISE. THERE IS NO WARRANTY OR REPRESENTATION THAT THE EQUIPMENT IS FIT FOR THE CUSTOMER'S PARTICULAR USE, OR THAT IT IS FREE OF LATENT DEFECTS. CUSTOMER ACKNOWLEDGES THAT HER IS NOT A MANUFACTURER OF THE EQUIPMENT AND CUSTOMER HEREBY WAIVES ANY AND ALL CLAIMS FOR DAMAGES FOR BREACH OF WARRANTY AGAINST HER, INCLUDING, BUT NOT LIMITED TO CLAIMS FOR INJURY, PROPERTY DAMAGE, PARTS, LABOR, DELAY OR BUSINESS INTERRUPTION BY CUSTOMER OR THIRD PARTIES. UNDER NO CONDITION WILL HER BE RESPONSIBLE FOR SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGE.

Customer's Indemnification Customer agrees to reimburse, indemnify, hold harmless and defend, at Customer's expense, HER, its subsidiaries, parent company, affiliate companies, and their agents, officers, directors owners and employees, against all losses, liabilities, damages, injuries, demands, costs, expenses (including lawyer and investigative fees), claims, fines, settlements or penalties, including without limitation, bodily injury, death, property damage or other damage arising out of any breach of this Agreement. Customer's violation of any applicable regulations, or arising out of any breach of this Agreement, Customer's contamination of the equipment by any party, strict liability or negligence claims arising out of any defect in the design, manufacture, warnings, instructions, operation, repair or failure to discover a defect, or incurred by HER in any manner from transaction, including claims of or liabilities to third parties. Customer agrees to present a claim to his insurance carrier for all such expenses and in the event Customer has no Insurance to cover such losses, Customer agrees to pay HER for such losses.

Applicable Laws Customer is responsible for complying with all applicable laws with regards to the Equipment.

Payment/Interest/Default/Liens Unless otherwise specified herein, the entire price stated on the front of this Agreement is due in full net due upon receipt of invoice and if such amount is not paid within thirty (30) days, Customer agrees to pay interest from the date hereof at the lesser of eighteen percent (18%) per annum, or the maximum amount permitted by law, whichever is less, on all amounts not paid within thirty (30) days, plus costs and lawyer's fees and all expenses of collection and repossession of the Equipment. Upon Customer's default on any payment, HER may repossess the Equipment without notice to Customer. All charges are subject to final HER audit and late payment charges of the maximum allowed by law. HER shall be entitled to a lien for all charges incurred herein against the premises upon which the Equipment is being used.

Risk of Loss Placement of the Equipment at Customer's specified delivery location constitutes transfer of all risk of loss to Customer for all damages in transit or otherwise. Customer is solely responsible for and agrees to pay HER the full replacement value for replacing and/or repairing damage to the Equipment from any cause whatsoever, and further agrees to pay HER all expenses for loss of use, claim administration fees, diminishment in value, towing, storage or impound fees, and costs incurred by HER to recover the Equipment and establish damages, regardless of fault or negligence of the Customer or any person, and regardless if damages are the result of an Act of God. Customer's payment to HER shall be made promptly upon the Customer's receipt of HER's invoice thereof. Use of the Equipment by persons other than the Customer or Authorized Operators will be at the sole risk of the Customer.

Sales Transactions

Title HER will transfer title to the Equipment to Customer, free of any encumbrances, upon Customer's payment in full for the entire price for the Equipment, plus any costs, interest, or other charges due and, until such time, HER retains title to and reserves a security interest in the Equipment (and all proceeds thereof) and Customer will insure the Equipment to its full replacement value against any and all loss or damage. Customer represents and warrants to HER that, except as provided herein, it is not a party to any agreement which will result in, nor will it allow, a lien or security interest in or upon the Equipment until such time as all obligations owing to HER are satisfied in full.

New Equipment Customer hereby acknowledges receipt of manuals, warranties, limits, restrictions, and specifications of the manufacturer of the Equipment.

Used Equipment All Used Equipment is sold "As Is". All used equipment to be sold is in a USED CONDITION. As a result of its prior use, Customer understands that the used equipment is *not* in the same condition as it was when it was *new* and may *not* operate as safely, efficiently, or effectively as if were new. The term "As Is" means that Customer receives and accepts the Used Equipment in its current Used condition, with all faults, without representation or warranty, express or implied as to its condition.

Rental Transactions

Ownership and Operation of Equipment Customer acknowledges that the Equipment is the property of HER. Customer agrees that only the following persons (*Authorized Operators*) may use or operate the Equipment and must do so with Customer's permission: Customer, Customer's authorized agent representative, employer, employees, or fellow employees acting in the course and scope of employment. Customer must ensure that all Authorized Operators must be at least the age of majority by law, must be properly trained and qualified to operate the Equipment and have a valid operator's license to operate the Equipment and be in compliance with the law. Any person reasonably presumed to be operating the Equipment at the direction of, at the behest of, or under the authority of the Customer, shall be conclusively presumed to be an authorized agent of the customer, and such operation therefore binds the Customer under this Agreement. Customer is prohibited from subletting, loaning, assigning, altering or disposing of the Equipment. Customer represents and warrants to HER that any person operating the Equipment has been fully trained and qualified in the proper and safe use thereof.

Rental and Refueling Charges Customer will pay HER, on demand, all rental time, mileage, service, transportation, refueling service, environmental fees, sales and use taxes, GST and all other charges in accordance with this Agreement. This basic daily, weekly, 4 week rental entitles Customer to a maximum of one-shift use based on an 8 hour day, 40 hour week, 160 hours for 4 weeks. In the event that Equipment is used longer than the above specified time for any period, rental for overtime will be payable at the hourly rate of 1/6th of the daily charge (daily rental), 1/40th of the weekly charge (weekly rental) and 1/160th of the 4 week charge (4 week rental), plus applicable taxes. Rentals are considered delivered at the designated branch office unless otherwise specified and Customer is responsible for payment of all shipping, loading, unloading, assembly and dismantling expenses. Customer must return the Equipment with full fuel tanks, or is otherwise subject to posted branch office re-fueling charges.

Customer's Responsibilities General: Customer assumes full responsibility for any damage to, destruction, or loss of property transported by or in the rented Equipment. Use of this Equipment must be: (a) only at the Customer's designated job site, unless otherwise agreed in writing by HER; (b) outside of any contaminated area or exposure – the use around and/or with any hazardous materials, substances and/or toxins is strictly prohibited; and (c) only in accordance with manufacturer's rated capacity and operating instructions. On the return date specified, or sooner upon HER's demand, Customer must return the Equipment to the branch office in the same good clean condition as received, ordinary wear and tear excepted, and confirm HER's return receipt of the Equipment in such good clean condition, or be responsible for payment of all Equipment repair and clean-up expenses.

Maintenance Customer shall perform and pay for all maintenance required to keep the Equipment in good working order and in compliance with all normal, basic and periodic maintenance specifications set forth in the manuals for this Equipment. Customer shall record and supply HER with fuel receipts and state by state mileage records upon termination of this Agreement. On failure to supply such records, Customer agrees to pay a \$0.5 per unrecorded mile charge as additional rent. Preliminary Notices: Customer shall provide HER with correct information necessary to file a Preliminary Notice according to state statutes and hereby grants HER permission to contact all persons and entities necessary to obtain such information.

Events of Default Customer shall be in default on this Agreement: if Customer fails to pay any rent when due; if Customer breaches any of the terms of this Agreement; if Customer becomes insolvent, ceases doing business, or if a petition for bankruptcy is filed by or against Customer; or if Customer is in default of any other Agreement with HER. In addition, Customer is in default of this Agreement if the Equipment is used; (a) to carry persons for hire; (b) to carry unauthorized persons and/or to carry persons other than in the cab of the Equipment; (c) to carry property for hire, unless Customer obtains all necessary permits and licenses; (d) to transport any explosives or hazardous materials; (e) in any race, test, contest, or for any illegal purposes; (f) by any person under the age of majority, or by anyone who has given a fictitious name or false age or address; (g) by any person, if there is reasonable evidence they were under the influence of any narcotic, intoxicants or drugs; (h) outside the state of rental without the written permission of HER; (i) under authority of license other than Customer's own and Customer warrants that the licenses shown to HER at the time of rental, if applicable, are fully valid; (j) in a reckless or imprudent manner or if the Equipment is deliberately damaged; (k) If Customer misrepresents facts to HER pertaining to the use of operation of the Equipment; or (l) Equipment is used in/around/with or becomes contaminated by hazardous substances, materials and/or toxins.

Remedies of HER In the event of Customer's default as specified herein, Customer hereby waives notice of legal process and right to hearing and agrees that HER may peacefully enter the Customer's premises to render the Equipment inoperable and/or remove the Equipment without process of law or liability to HER. In such case, HER may terminate the Agreement without notice to Customer and without prejudice to any other claims HER might have against Customer and Customer shall remain liable for any loss or damage to the Equipment notwithstanding such termination. In such event, Customer agrees to pay HER all monies due for the remainder of the rental term as liquidated damages and not as a penalty. HER shall have the right to take any steps it deems necessary to recover the Equipment if it is not returned on the date specified or if this Agreement is otherwise terminated. HER's remedies provided herein are not exclusive, but shall be cumulative to all other remedies existing at law and in equity.

Damage Waiver If Customer does not provide proof of insurance as required below, customer will be charged an Damage Waiver plan charge as established by HER. Customer agrees and understands that the Damage Waiver is not insurance. Customer is fully responsible for the loss of or damage to the Equipment subject to the terms and conditions of the Damage Waiver. If Customer purchases the Damage Waiver, customer's responsibility for loss or damage to Equipment will be limited to twenty-five (25%) of the replacement cost of the Equipment, subject to the exceptions set forth in the Damage Waiver, which is incorporated herein by reference. Additional copies of the Damage Waiver can be found at <http://www.hometownequip.com> or at any HER location. Notwithstanding the foregoing, in the event of any default by Customer under this Agreement, the Damage Waiver protection will be void, and Customer will be liable for the full replacement value and related expenses for all loss or damage to Equipment.

Customer Insurance Obligation Physical Damage To Equipment: All Customers must provide to HER, at the time the Equipment is rented, a certificate of insurance name HER as a loss payee and/or additional insured on said certificate evidencing coverage for physical damage to the Equipment. Such physical damage insurance covering the Equipment may not be canceled or materially modified except upon twenty (20) days prior written notice to HER at the branch office identified in the Agreement. In the event of Customer's failure to provide said certificate of insurance at the time the Equipment is rented, Customer will be charged the Damage Waiver fee as set forth in the Agreement. Bodily Injury/Property Damage; Responsibility To Third Parties: In addition for the foregoing physical damage insurance for the Equipment, Customer will, at Customer's expense, at all times during the term of this Agreement, maintain in force a commercial general liability insurance policy covering bodily injury/property damage liability on the Equipment in an amount not less than one million dollars (\$1,000,000) combined single limit. Such third party liability coverage shall be primary, and not excess or on a contributory basis, agents or employees of Customer and Customer's indemnity obligation herein. Customer agrees to abide by all of the terms and conditions of said insurance. In the event of a loss, Customer, its agents and employees will cooperate fully with HER and Customer's insurer in the investigation, prosecution and/or defense of any claim or suit arising therefrom and will do nothing to impair or invalidate the applicable insurance coverage. HER does not waive any claims or rights hereunder. The aforesaid Customer insurance obligation in no way limits Customer's ultimate liability hereunder. HER does not provide, extend or afford any insurance coverage to Customer, any passenger, or any Authorized Operator of the Equipment under this Agreement. If there is other valid and collectible liability protection or insurance on any basis available to Customer or any other person, and such protection or insurance satisfied the financial responsibility laws, then no liability protection is afforded by HER. However, if Customer is in compliance with the terms and conditions of this Agreement, and if HER is determined by law to provide liability protection to any Customer or Authorized Operator, such liability protection shall be limited to the minimum financial responsibility limits of the province in which the Equipment is operated. HER's financial responsibility is expressly limited to only those applicable provisions of the financial responsibility laws of the state in which the Equipment is operated if any such laws are applicable to the operation of the Equipment. HER's financial responsibility, unless law requires, does not extend to: (a) Injuries to the Customer, driver, or passenger while riding in, alighting from, entering or on the Equipment; (b) liability imposed upon or assumed by anyone under any worker's compensation act, plan or contract; (c) any property owned by or rented by or in the care, custody, or control of the Customer. Power of Attorney; Customer hereby grants and appoints to HER a Limited Power of Attorney to present insurance claims for property damage to Customer's Insurance carrier if the Equipment is damaged during the term of this rental Agreement and to endorse Customer's name on insurance payments for charges or damages.

Notice of Damage, Loss or Accident Accidents, loss, theft, damage or failure of the Equipment must be reported immediately to HER by telephone and within 24 hours thereafter in writing to the office where the Equipment was rented and to the public authorities (where required by law or by HER). Customer and/or its agents, employees and Authorized Operator must provide HER and the public authorities with complete information and assistance in the investigation and prosecution of any matter arising from such accident, loss, theft or damage, including the immediate delivery of every process, pleading or paper relating to any claims, suits and proceedings and shall cooperate with HER in all manners connected with any claims or suits.

Assignment HER may grant a security interest in or assign this Agreement to any third party for value. Customer acknowledges and agree that such third party may exercise all the rights of HER under this Agreement and will not be subject to any abatement, reduction, recoupment, defense, setoff or counterclaim available to Customer.